



**American Gilsonite Company**

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Bonanza Mining Operations

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DIVISION OF  
OIL GAS & MINING

November 5, 1991

Mr. John T. Blake  
Utah Division of State Lands & Forestry  
335 W. North Temple  
3 Triad Center Suite 400  
Salt Lake City, Utah 84180-1204

Dear Mr. Blake:

We're planning to continue exploration on State Mineral Lease ML-31934 in Uintah County.

Initially, we explored four places along strike of the Gilsonite vein. We accomplished these four surface explorations by trenching with a backhoe.

Subsequent to our findings from the trenches, a drilling program of vertical rotary holes is necessary to increase the depth of our sampling. This would include about four 4 3/4 diameter holes. The location of the first vertical drill hole will be adjacent to the Westernmost trench and will be drilled vertically in the vein to an approximate depth of 900 feet. The other drill holes will be located after review of the findings from the first hole but will likely be concentrated in the Western half of the lease along strike of the vein.

This lease is near existing county/private roads and we do not expect to construct any roads.

Please let me know as soon as possible when we have permission to do the drilling.

Sincerely,

T. M. Tilley

cc: Mr. Wayne Hedberg ✓

TMT/bkn